

So Ordered.

Dated: July 13th, 2017



*Frederick P. Corbit*  
Frederick P. Corbit  
Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON

In Re:

Kennewick Public Hospital District,  
Debtor.

Case No. 17-02025-9

ORDER CONFIRMING  
PROTECTIONS OF SECTIONS  
362, 365, AND 922 OF  
BANKRUPTCY CODE

Upon the motion (the "Motion")<sup>1</sup> of Kennewick Public Hospital District, a Washington public hospital district (d/b/a Trios Health) (the "District" or "Trios") and the debtor in the above-captioned chapter 9 case (the "Chapter 9 Case"), for entry of an order, pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code"), confirming the protections of sections 362, 365, and 922 of the Bankruptcy Code; and upon the Cudworth Declaration; and it appearing that this Court has jurisdiction over this

<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings as ascribed in the Motion.

ORDER CONFIRMING PROTECTIONS  
OF SECTIONS 362, 365, AND 922 OF  
BANKRUPTCY CODE - 1

FOSTER PEPPER PLLC  
1111 THIRD AVENUE, SUITE 3000  
SEATTLE, WASHINGTON 98101  
PHONE (206) 447-4400 FAX (206) 447-9700

51620184.1

1 matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this  
2 proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it  
3 appearing that venue of this proceeding and the Motion in this Court is proper  
4 pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing  
5 adequate and appropriate under the circumstances; and the Court having found that  
6 no other or further notice is needed or necessary; and the Court having reviewed  
7 the Motion and the Cudworth Declaration and having heard statements in support  
8 of the Motion at a hearing held before the Court (the "Hearing"); and the Court  
9 having determined that the legal and factual bases set forth in the Motion and at the  
10 Hearing establish just cause for the relief granted in this Order; and it appearing,  
11 and the Court having found, that the relief requested in the Motion is in the best  
12 interests of the District, its creditors, and other parties in interest; and any  
13 objections to the relief requested in the Motion having been withdrawn or  
14 overruled on the merits; and after due deliberation and sufficient cause appearing  
15 therefor, it is hereby **ORDERED** that:

16 1. The Motion is GRANTED.

17 2. Pursuant to section 362(a) of the Bankruptcy Code, and subject to any  
18 exceptions thereto or other rights or defenses a party may have under applicable  
19 law, including the Bankruptcy Code, all persons (including individuals,  
20 partnerships, corporations, limited liability companies, and all those acting for or  
21 on their behalf), all foreign or domestic governmental units, and all other entities  
22

(and all those acting for or on their behalf) are hereby stayed, restrained, and enjoined from:

- a. commencing or continuing any judicial, administrative, or other proceeding against the District, including the issuance or employment of process, that was or could have been commenced before the District's Chapter 9 Case was commenced;
- b. enforcing, against the District or the District's property, any judgment obtained before the District's Chapter 9 Case was commenced;
- c. recovering a claim against the District that arose before the commencement of its Chapter 9 Case;
- d. taking any action to obtain possession of property of or from the District;
- e. taking any action to create, perfect, or enforce any lien against property of the District, to the extent that such lien secures a claim that arose before the commencement of the District's Chapter 9 Case;
- f. taking any action to collect, assess, or recover a claim against the District that arose before the commencement of its Chapter 9 Case; and
- g. offsetting any debt owing to the District that arose before the commencement of its Chapter 9 Case against any claim against the District.

*See* 11 U.S.C. § 362(a).

3. All entities, including all persons and foreign and domestic governmental units, and all those acting on their behalf, including sheriffs, marshals, constables, and other or similar law enforcement officers and officials

1 are stayed, restrained, and enjoined from in any way seizing, attaching, foreclosing  
2 upon, levying against, or taking any action to obtain possession or control over any  
3 and all property of the District, wherever located.

4 4. Pursuant to section 922(a) of the Bankruptcy Code, and subject to any  
5 exceptions thereto or other rights or defenses a party may have under applicable  
6 law, including the Bankruptcy Code, all persons (including individuals,  
7 partnerships, corporations, limited liability companies, and all those acting for or  
8 on their behalf), all foreign or domestic governmental units, and all other entities  
9 (and all those acting for or on their behalf) are hereby stayed, restrained, and  
10 enjoined from:

- 11 a. commencing or continuing a judicial, administrative, or other  
12 action or proceeding against an officer or inhabitant of the  
13 District, including the issuance or employment of process, that  
14 seeks to enforce a claim against the District; and
- b. enforcing a lien on or arising out of taxes or assessments owed  
to the District.

15 *See* 11 U.S.C. § 922.

16 5. For the avoidance of doubt, the protections of section 922(a)(1) of the  
17 Bankruptcy Code with respect to officers and inhabitants of the District, as set  
18 forth in paragraph 4(a) above, apply in all respects to the officers of the District, in  
19 both their official and personal capacities with respect to actions whereby parties  
20 pursuing such actions seek to enforce claims against the District.

21 6. Pursuant to and solely to the extent provided by section 365 of the  
22 Bankruptcy Code, and subject to the other provisions of the Bankruptcy Code, all

1 persons (including individuals, partnerships, corporations, limited liability  
2 companies, and all those acting for or on their behalf), all foreign or domestic  
3 governmental units, and all other entities (and all those acting for or on their  
4 behalf) are hereby prohibited from modifying or terminating any executory  
5 contract or unexpired lease of the District, or any right or obligation under such  
6 contract or lease of the District, at any time after the commencement of the  
7 District's Chapter 9 Case solely because of a provision in such contract or lease  
8 that is conditioned on:

- 9 a. the insolvency or financial condition of the District at any time  
10 before the closing of the District's Chapter 9 Case; or  
11 b. the commencement of the District's Chapter 9 Case.

12 *See* 11 U.S.C. § 365(e)(1). For the avoidance of doubt, the protections of  
13 Bankruptcy Code section 365(e)(2) shall continue to apply in all respects.

14 7. Pursuant to and solely to the extent provided by sections 362 and 365  
15 of the Bankruptcy Code, and subject to the other provisions of the Bankruptcy  
16 Code, the District's counterparties to any executory contract or unexpired lease  
17 shall continue to perform their obligations under such contract or lease until such  
18 contract or lease is assumed or rejected by the District or otherwise expires by its  
19 own terms.

20 8. Nothing in this Order shall affect the substantive rights of any party.  
21 Nothing in this Order shall affect the exceptions to the automatic stay contained in  
22 sections 362(b) and 922(d) of the Bankruptcy Code or the right of any party in

1 interest to seek relief from the automatic stay in accordance with section 362(d) of  
2 the Bankruptcy Code.

3 9. In no event shall this Order be interpreted as modifying, expanding, or  
4 eliminating the terms of the Bankruptcy Code or imposing any restriction on  
5 parties in interest other than as set forth in the Bankruptcy Code, nor shall the entry  
6 of this Order modify, expand, or alter any party's liability for any violation of the  
7 Automatic stay that such party would have incurred had this Order not been  
8 entered.

9 10. Notwithstanding any applicability of any of the Federal Rules of  
10 Bankruptcy Procedure, the terms and conditions of this Order shall be immediately  
11 effective and enforceable upon its entry.

12 11. The Court shall retain jurisdiction to hear and determine all matters  
13 arising from or related to the implementation, enforcement, or interpretation of this  
14 Order.

15  
16 ///END OF ORDER///

17 PRESENTED BY:  
18 FOSTER PEPPER PLLC

19 By: /s/ Jack Cullen  
20 Jack Cullen, WSBA #7330  
21 Bryan Glover, WSBA #51045  
22 Andy Morton, WSBA #49467  
Ella Vincent, WSBA #51351  
*Attorneys for Debtor Kennewick  
Public Hospital District*

ORDER CONFIRMING PROTECTIONS  
OF SECTIONS 362, 365, AND 922 OF  
BANKRUPTCY CODE - 6

FOSTER PEPPER PLLC  
1111 THIRD AVENUE, SUITE 3000  
SEATTLE, WASHINGTON 98101  
PHONE (206) 447-4400 FAX (206) 447-9700